

AMENDED IN SENATE SEPTEMBER 8, 2003

AMENDED IN SENATE AUGUST 26, 2003

AMENDED IN SENATE JULY 7, 2003

AMENDED IN ASSEMBLY JUNE 3, 2003

AMENDED IN ASSEMBLY JUNE 2, 2003

AMENDED IN ASSEMBLY APRIL 10, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 694**

**Introduced by Assembly Members Levine and Chavez**

February 19, 2003

---

---

An act to amend Section 6248 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

### LEGISLATIVE COUNSEL'S DIGEST

AB 694, as amended, Levine. Use tax: vehicles, vessels, and aircraft.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property.

Under existing law there is a presumption that tangible personal property shipped or brought into this state by the purchaser was purchased from a retailer for storage, use, or other consumption in this state.

This bill would expand the existing presumption that a vehicle, vessel, or aircraft purchased outside of the state is subject to use tax to

apply if that vehicle, vessel, or aircraft (1) is purchased by a California resident, (2) was subject to California's registration or property tax laws during the first 12 months of ownership, or (3) was used or stored in this state more than  $\frac{1}{2}$  of the time during the first 12 months of ownership.

This bill would provide that the existing presumption does not apply to aircraft, as specified, brought into this state, on or after the effective date of this act, for the purpose of repair, retrofit, or modification.

This bill would specify that its provisions do not apply to a vehicle, vessel, or aircraft that is either purchased, or subject to a binding purchase contract, on or before the operative date of this act.

This bill, by expanding the application of an existing presumption that requires the imposition of use tax on vehicles, vessels, and aircraft purchased outside of this state, would result in a change in state taxes for the purpose of increasing revenues within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of  $\frac{2}{3}$  of the membership of each house of the Legislature.

This bill would take effect immediately as a tax levy, but its operative date would depend on its effective date.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 6248 of the Revenue and Taxation Code  
2 is amended to read:

3 6248. (a) On and after the effective date of this section there  
4 shall be a rebuttable presumption that any vehicle, vessel, or  
5 aircraft bought outside of this state, was acquired for storage, use,  
6 or other consumption in this state and is subject to use tax if any  
7 of the following occur:

8 (1) The vehicle, vessel, or aircraft was purchased by a  
9 California resident as defined in Section 516 of the Vehicle Code.

10 (2) In the case of a vehicle, the vehicle was subject to  
11 registration under Chapter 1 (commencing with Section 4000) of  
12 Division 3 of the Vehicle Code during the first 12 months of  
13 ownership.

14 (3) In the case of a vessel or aircraft, the vessel or aircraft was  
15 subject to property tax in this state during the first 12 months of  
16 ownership.



1 (4) The vehicle, vessel, or aircraft was used or stored in this  
2 state more than one-half of the time during the first 12 months of  
3 ownership.

4 (b) This presumption may be controverted by documentary  
5 evidence that the vehicle, vessel, or aircraft was purchased for use  
6 outside of this state during the first 12 months of ownership that  
7 shall include, but not be limited to, evidence of registration of that  
8 vehicle, vessel, or aircraft with the proper authority outside of this  
9 state.

10 (c) This section does not apply to any vehicle, vessel, or aircraft  
11 used in interstate or foreign commerce pursuant to regulations  
12 prescribed by the board.

13 (d) ~~This section does~~ *The amendments made to this section by*  
14 *the act adding this subdivision* do not apply to any vehicle, vessel,  
15 or aircraft purchased on or before the operative date of the act  
16 adding this subdivision, or to any vehicle, vessel, or aircraft that  
17 is the subject of a binding purchase contract entered into on or  
18 before the operative date of the act adding this subdivision.

19 (e) (1) Notwithstanding subdivision (a), aircraft brought into  
20 this state for the purpose of repair, retrofit, or modification shall  
21 not be deemed to be acquired for storage, use, or other  
22 consumption in this state.

23 (2) This subdivision does not apply if, during the period  
24 following the time the aircraft was brought into this state and  
25 ending when the repair, retrofit, or modification of the aircraft is  
26 complete, more than 25 hours of airtime are logged on the aircraft  
27 by the registered owner of that aircraft or by an agent operating that  
28 aircraft on behalf of the registered owner. The calculation of  
29 airtime logged on the aircraft does not include airtime following  
30 the completion of the repair, retrofit, or modification of the aircraft  
31 that is logged for the sole purpose of returning or delivering the  
32 aircraft to a point outside of this state.

33 (3) This subdivision applies to aircraft brought into this state,  
34 for the purpose of repair, retrofit, or modification, on or after the  
35 operative date of the act adding this subdivision.

36 SEC. 2. This act provides for a tax levy within the meaning of  
37 Article IV of the Constitution and shall go into immediate effect.  
38 However, the provisions of this act shall become operative on the

- 1 first day of the first calendar quarter commencing more than 90
- 2 days after the effective date of this act.

O

